(d) There is no misuse of External Aid. The total undrawn balance excluding USSR as on 31.12.94 is Rs. 53,169 crore (Provisional).

(e) The total figure of undrawn balance does not represent the backlog. It only indicates the total amount that can be drawn over a period of time. Some of the main reasons for slower than expected utilisation of external aid are inadequate provisioning and counterpart funding, procurement and contracting delays, start-up and other procedural delays.

(f) Ensuring adequate provisioning for externally aided projects, release of ACA as 100% additionality, advance release of ACA to the States, standardisation of bidding documents and streamlining of procurement procedures, disintermediating on flow of external aid to Central PSU's, Portfolio Rationalisation and setting up of Project Management Unit in Department of Economic Affairs are some of the steps taken by the Government to improve aid utilisation

Inflation rate

256. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) what is the country's present inflation rate as comared to last year;

(b) whether there has been a steep rise in the inflation rate, if so, what are the reasons therefor:

(c) to what extent the present trend of inflation is likely to affect the process of industrial revival; and

(d) what steps Government have taken or propoes to take to control the rise in the inflation rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The latest annual rate of inflation (point to point) as on 25 February 1995 was 11.39 per cent as against 9.52 per cent on the corresponding day of the previous year.

(b) In the first quarter of 1994-95, the price level rose by 4%. The Second quarter (July-September) nessed a modest rise of 1.6 per cent. But in the third quarter (October-December) which is the period when prices generally register a seasonal fall, the price level rose further by 1.5 per cent followed up another 2.2 per cent in January 1995.

The uptrend in the general price level particularly since October appears to have been caused by the demand side factors arising out of the excess liquidity in the system.

(c) The current uptrend in the inflationary pressures is likely to have peaked and it may therefore have no significant impact on industrial growth.

(d) Steps taken to contain inflation in the current fiscal year are:

(i) Release of foodgrains from public stocks through open market sale by Food Corporation of India.

(ii) Placing import of Sugar on OGL at Zero duty.

(iii) Ensuring sugar availability for PDS by importing nearly 10 lakh tonnes at zero duty.

(iv) Allowing import of palmolein oil under OGL.

(v) Importing 1.07 lakh tonnes of palmolein oil for supply to consumers through PDS.

(vi) With effect from March 1995, allowing import of major edible oils under OGL at reduced duty of 30%.

(vii) Allowing cotton import under OGL at Zero duty.

(viii) Placing a cap on Central Government's borowings from the RBI through the issue of ad hoc Treasury Bills and containing monetary growth through a series of measures including raising of CRR and sale of Government securities by the RBI.

Bank officials Chargesheeted in fraud case

257. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the Patriot of the 29th December, 1994 under the caption, "Bank officials chargesheeted in fraud case";

(b) if so, what are the facts and necessary details in this regard;

(c) whether the Central Bureau of Investigation has conducted enquiry in this case; if so, what are the results of the enquiry and what further action has been taken in pursuance thereof;

(d) how much amount has been defrauded in the case and what steps have been taken or are proposed to be taken to recover this amount; and

(e) how many such fraud cases have been detected in respect of each Public Sector Bank during each of the last three years; What are the details of each such fraud case and what steps have been taken to recover the defrauded funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Government have seen the news-item which appeared in the 29th December, 1994 issue of the Patriot captioned "Top ex-officials of New Bank booked for cheating".

(b) to (e) The CBI had carried out a detailed investigation relating to sanction of credit facilities to M/s. Dream City Builders (P Ltd. by the erstwhile New Bank of India. The investigations revealed that the former Chairman & Managing Director the ex-Executive Director and a Manager of the bank had in conspiracy with other accused persons illegally and unauthorisedly processed, sanctioned and released credit facilities to the tune of Rs. 1.69 crores to M/s. Dream City Builders (P) Ltd. The end use of the funds were not watched properly. A suit was filed against the company for recovery of its dues and consequently Court orders ere obtained in August 1993 for winding up M/s Dream City Builders (P) Ltd. and an official liquidator has been appointed for liquidation of the company.

The details of cases where credit facilities were extended fraudulently as reported by Public Sector Banks to RBI for the years 1992, 1993 and upto Septemebr 1994 is given in the Statement (*See* below)

The banks generally have some securities to cover advances extended by them. They also file civil and criminal cases against the culprits and claim appropriate reliefs.